



Security Council

Distr.
GENERAL

S/1998/4
6 January 1998
ENGLISH
ORIGINAL: FRENCH

LETTER DATED 5 JANUARY 1998 FROM THE SECRETARY-GENERAL ADDRESSED
TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to inform you and, through you, the members of the Security Council that, pursuant to paragraph 8 (a) (ii) of Council resolution 986 (1995), the Iraqi Government has submitted to me its plan for the purchase and distribution of humanitarian supplies during the additional period specified in Security Council resolution 1143 (1997). The Iraqi Government was informed today that I had approved that plan on the understanding that its implementation would be governed by resolutions 986 (1995) and 1143 (1997) and the memorandum of understanding, and would be without prejudice to the procedures followed by the Security Council Committee established by resolution 661 (1990).

A copy of the list of supplies and goods accompanying the distribution will be made available to the Committee. This list has been scrutinized by experts of the United Nations Special Commission, who have noted that some of the items appearing on it would be subject to notification under the mechanism for monitoring exports and imports that was adopted by the Council in its resolution 1051 (1996). The list of items in question is also being forwarded to the Committee. The distribution plan and the letter conveying my acceptance of the plan are attached.

(Signed) Kofi A. ANNAN



Annex I

[Original: English]

Letter dated 5 January 1998 from the Executive
Director of the Office of the Iraq Programme
addressed to the Permanent Representative of
Iraq to the United Nations

On behalf of the Secretary-General, I wish to acknowledge receipt, under cover of your letter dated 5 January 1998 addressed to the Secretary-General, of the revised distribution plan submitted by your Government for the third phase, and would like to inform you that I have been authorized by the Secretary-General to convey in this respect the following.

Security Council resolutions 986 (1995) and 1143 (1997) require that Iraq shall guarantee, on the basis of a plan submitted and approved by the Secretary-General, equitable distribution of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs (humanitarian supplies) exported to Iraq under the conditions defined by those resolutions. The memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq for the implementation of resolution 986 (1995) provides that the Government of Iraq shall prepare a distribution plan describing in detail the procedures to be followed by the competent Iraqi authorities with a view to ensuring equitable distribution of humanitarian supplies and submit such plan to the Secretary-General for approval. The memorandum states in this regard that if the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

I have the honour to inform the Government of Iraq through you that, having examined the distribution plan, the Secretary-General has come to the conclusion that the distribution plan for the third phase as finally submitted on 5 January 1998, if properly implemented, should meet the requirements of equitable distribution of humanitarian goods to the Iraqi population throughout the country. The distribution plan is, therefore, approved with the following understanding.

The approval of the distribution plan is subject to the condition that its implementation is governed by the relevant provisions of Security Council resolutions 986 (1995) and 1143 (1997) and the memorandum of understanding and that, in case of inconsistency between the particular provisions of the plan, on the one hand, and the resolutions and the memorandum of understanding, on the other, the provisions of the latter documents shall prevail.

As to the needs of the vulnerable groups referred to in the report of the Secretary-General of 2 June 1997 (S/1997/419), pursuant to the responsibilities of the Secretary-General under Security Council resolutions 986 (1995) and 1143 (1997) to determine and report on the adequacy of resources to meet the humanitarian needs of the Iraqi population, the United Nations will continue to

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observe the situation of such groups in the light of the assurances of your Government contained in the letter from the Minister for Foreign Affairs of Iraq, dated 30 July 1997, that the needs of such groups will be met by the Government outside the framework of the relevant Security Council resolutions.

The approval of the distribution plan is without prejudice to the procedures to be employed by the Security Council Committee established by resolution 661 (1990) concerning export to Iraq of parts and equipment which are essential for the safe operation of the Kirkuk-Yumurtalik pipeline system in Iraq.

The plan includes a categorized list of supplies and goods to be purchased and imported under the distribution plan. The approval of the plan is without prejudice to actions that might be taken by the Security Council Committee regarding applications for export of particular items contained in the list submitted for the Committee's consideration in accordance with its procedures.

Likewise, the categorized list contains certain items the export of which to Iraq must be notified to the joint unit established by Security Council resolution 1051 (1996) as these items will be subject to monitoring because of their possible dual use for civilian or for prohibited purposes under Security Council resolution 687 (1991) and other relevant resolutions.

The approval of the distribution plan submitted by the Government of Iraq does not necessarily constitute an endorsement of all information or statements contained in the plan.

It should be noted that the approval of the plan is without prejudice to any recommendations that may be contained in a supplementary report referred to in paragraph 6 of resolution 1143 (1997), which the Secretary-General intends to submit to the Security Council.

(Signed) Benon V. SEVAN
Executive Director
Office of the Iraq Programme

Annex II

Letter dated 5 January 1998 from the Permanent Representative of
Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to enclose the revised distribution plan submitted by the Government of the Republic of Iraq in accordance with resolution 1143 (1997) and the memorandum of understanding.

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

Enclosure

Distribution plan submitted by the Government of Iraq to the Secretary-General
of the United Nations in accordance with the memorandum of understanding of
20 May 1996

EXECUTIVE SUMMARY

1. This Distribution Plan, referred to in paragraph 2 of the Memorandum of Understanding signed on 20 May 1996 between the Government of Iraq and the United Nations Secretariat (hereinafter "the MOU") for the procurement and distribution of food, medicine, medical supplies and other essential civilian humanitarian supplies to help alleviate the hardship suffered by the Iraqi people, constitutes an important element in the implementation of the United Nations Security Council resolution 986 (1995), (hereinafter "the Resolution") and SCR 1143 (1997) extending the provisions of the Resolution for another six months.
2. For the three northern Iraqi governorates, namely Dohuk, Erbil and Suleimaniyah, the procurement and distribution of essential civilian humanitarian supplies will be the responsibility of the United Nations Inter-Agency Humanitarian Programme, (hereinafter "the Programme"), in accordance with paragraph 20 of the MOU and paragraphs 3 and 6 of its Annex I. In accordance with paragraph 2 of Annex I of the MOU, the humanitarian requirements of the three northern governorates in the Distribution Plan, (hereinafter "the Plan") were identified by the Programme, taking into consideration all relevant circumstances in the three northern governorates and in the rest of the country, in order to ensure equitable distribution. These requirements were discussed with the Government of Iraq and incorporated in the Plan.
3. It is expected that a grand total of US\$1,320 million will be available to address the humanitarian requirements of the Iraqi people for a period of six months. Of this amount, the Plan allocates US\$805 million for food distribution. The food distribution programme will ensure a daily energy

intake of 2,030 kcal and 47 gm of plant protein per person/day. Subject, where applicable, to the provisions of the MOU relating to the three northern governorates, food distribution will be implemented within the existing rationing practice. Furthermore, about US\$65 million worth of soap and detergents will be procured and distributed along with the food rations as per the current practice in Iraq. Another US\$36 million is earmarked for equipment, spare parts for food processing and logistics equipment to ensure functioning of the distribution system. In Dohuk, Erbil and Suleimaniyah, the Programme will give supplementary assistance to vulnerable children and mothers through a nutrition project budgeted at US\$10 million.

4. The Plan allocates US\$ 200 million for medicines and medical supplies. Subject to the provisions of the MOU relating to the three northern governorates, these items will reach the actual beneficiaries through hospitals and primary health care centers in Iraq, using the existing distribution system. The reduction of US\$10 million in the total medical allocations is based on the decision of the Programme to reallocate these funds to other sectors in the three northern governorates in view of the sufficient quantities of medicines and medical supplies for the north still in the delivery pipeline from the Phases I and II. All Iraqi citizens and foreign residents have access to the public health services. In addition to the provision of life-saving drugs and medical supplies throughout the country, essential equipment of urgent need will be procured and some damaged health infrastructure will be rehabilitated in the three northern governorates. The share of medicines and medical supplies of the three northern governorates is US\$18.5 million. Another US\$10 million is earmarked for rehabilitation of health infrastructure in the three northern governorates.
5. The condition of clean water supply and sanitation services remains critical all over Iraq. It is estimated that the rehabilitation of this sector requires over US\$500 million. However, due to the shortage of resources, this Plan allocates only US\$44.17 million for this sector. US\$8.4 million is earmarked for the repair of water and sewage facilities in Baghdad serving about 6.5 million people in the city and the surrounding districts. Another US\$15.77 million will be used to repair water and sanitation facilities in the

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rest of the country. The balance of US\$20 million will be utilized for the rehabilitation of water and sanitation facilities in the three northern governorates.

6. Full rehabilitation of electric power generation, transmission and distribution, requires approximately US\$675 million of which US\$49.17 million was provided under the previous Distribution Plan phase I and US\$55.3 million for phase II. The current Plan allocates a further US\$61.5 million to maintain and repair electric power stations all over the country. Part of the allocation is for transmission and distribution networks in different parts of Iraq. The share of the three northern governorates is estimated at US\$26 million.
7. A sum of US\$50 million is allocated to address the most urgent needs in the agriculture sector, in particular for plant protection, control of livestock diseases and provision of fertilizers and quality seeds. There is also a severe shortage of agricultural machinery and spare parts and pumps and irrigation requirements. Of the total, US\$26 million is earmarked for the three northern governorates.
8. The education environment throughout Iraq remains poor. This Plan makes a modest allocation of US\$27 million to the education sector, of which US\$15 is earmarked for the governorates of Dohuk, Erbil and Suleimaniyah. The allocation will be used to repair some of the damaged schools, to provide basic stationery, desks, and other urgently needed school materials, especially for primary education. A modest share of US\$3.6 million has been allocated to support higher education, particularly for provision of books and materials for the departments of medicine, pharmacology, dentistry and nursing in the Iraqi universities.
9. To meet the special needs of the population in the three northern governorates, provisions have been made for activities regarding de-mining and resettlement at estimated costs of US\$1 million and US\$11 million, respectively. Categorized lists of requirements shall be provided by implementing UN Agencies.

10. The humanitarian requirements for the whole population of Iraq are enormous due to the cumulative deterioration of living and environmental conditions during the past seven years. The humanitarian situation in Iraq was reviewed in accordance with paragraphs 4 and 11 of the Resolution and reported in the United Nations Secretary-General's 180-day report (S/1997/935 dated 28 November 1997), pointing out that the various sectors mentioned in the above paragraphs of this executive summary still suffer from shortages despite the implementation of the previous Distribution Plans (phase I and phase II).
11. The Government of Iraq confirms its willingness to cooperate fully with the Programme, and to allow the Programme to observe, throughout the country, the equitable distribution of humanitarian supplies imported under this Plan. To this end, United Nations personnel working for the Programme shall have, in connection with the performance of their functions, unrestricted freedom of movement and access in accordance with paragraph 44 of the MOU.

Table 1

Allocations to selected sectors covered by the Plan

(Millions of United States dollars)

Sector/Activity	Allocations (Countrywide)	Allocations for Dohuk, Erbil and Suleimaniyah
Food	804.63	113.30
Soap/detergent	65.38	9.20
Equipment/Spare parts for food processing, logistics	36.00	-
	-----	-----
Sub-total	906.01	122.5
Medicine/supplies	200	18.5
Nutrition	10	10
Health/repairs	10	10
Water and Sanitation	44.17	20
Electricity	61.5	26
Agriculture	50	26
Education	27	15
Resettlement	11	11
Demining	1	1
GRAND TOTALS	1,320.68	260

Part One

Procurement and Distribution Plan for Food

Introduction

12. Following the UN Security Council Resolution 661 (1990) imposing sanctions on Iraq, the Government of Iraq established a special rationing system to ensure the distribution of foodstuffs to all Iraqi citizens, Arab and foreigners residing in Iraq. The system was launched on 1 September 1990. It is presently applied throughout the country with the exception of the three northern Iraqi governorates. In accordance with the MOU, the Programme will be responsible for the distribution of foodstuffs to the population in the three northern governorates on behalf of the Government of Iraq.

Main features of the system

13. The main partners of the current system are:
- i) The Ministry of Trade/Government of Iraq.
 - ii) The consumers (citizens of Iraq, Arabs and foreign residents).
 - iii) Retail ration agents of the (private sector).
14. The responsibility of the Ministry of Trade is to undertake, on a monthly basis, the distribution of foodstuffs to the retail ration agents in their designated areas, and to ensure their delivery to the households registered with the concerned agent. There are more than 45864 ration agents serving the local consumers in the fifteen governorates and over 10,000 agents in the three northern governorates. Furthermore, to ensure the adequacy, continuity and regularity of supplies of foodstuffs in conformity with the rationing cards, the related coupons are collected from the households monthly by the retail ration agents. Each rationing card has a number of coupons that correspond to basic food items involved in the system and covers one calendar year.

15. The chart of the rationing card system currently in application for the distribution of foodstuffs as it is illustrated in Annex 3/Food of the previous Distribution Plan , Phase I.
16. Every Iraqi citizen, Arab and foreign resident in Iraq is entitled by law to obtain a "rationing card" from the Registration Centers. These centers establish lists of families by name, age and number of consumers in each household and send the lists to the computer center. The computer center sends one copy of each list to the nearest retail ration agent shop to the domicile of the concerned households, and another copy of the list to the food distribution centers.
17. The monthly individual ration under the current system is the same for each individual with regard to commodities, quantity and the related nominal fee. Households are well informed through public and private mass media, on a monthly basis, of their entitlements and on the time of distribution in various distribution centers.
18. The follow-up mechanism to ensure effective and proper implementation of the rationing system is done through:
 - i) The concerned monitoring offices of the Ministry of Trade.
 - ii) Elected District People's Councils, and
 - iii) Citizens.
19. The beneficiaries of the system have the right to submit to the Ministry of Trade complaints against the retail ration agent in their designated areas, if they discover that the agent is violating the relevant regulations. Accordingly, the Ministry of Trade circulates a questionnaire among all households registered with the said agent. If the findings show that 51% of the participating households in the process condemn the agent, his agency license will be canceled and a new retail agent will be immediately appointed.

20. Mechanisms of obtaining the rationing card, the required documents and registration of complaints are as stated in the previous Distribution Plan, phase I, paragraphs 19, 20, 21, 22 and 23.

Observation of Distribution

21. The role of the Programme in the context of the observation of the equitable distribution of humanitarian supplies and the determination of their adequacy under the Plan will be in accordance with paragraphs 37 and 38 of the MOU.

Distribution Plan of foodstuffs

22. The food distribution mechanism stipulated under paragraphs 25, 26, 27 and 28 of the previous Distribution Plan, phase I, shall be followed also under this Plan.

Maintenance, repairs, rehabilitation and replacement of equipment required on a priority basis for the handling, storage, processing and distribution of food products

23. The existing infrastructure will not be able to cope with the total quantity of food commodities to be brought in over the six-month period of this Plan as shown in Table 3. A comprehensive list representing the priority of equipment and spare parts that are needed for processing, handling, storage and distribution of the large quantity of foods is contained in Annex (Trade-2) and shall be procured at an estimated cost of US\$36 million.

Procurement and storage arrangements

24. Arrangements for procurement, storage and transport of food supplies under this Plan shall remain as stated in paragraph 30 of the previous Distribution Plan, Phase I.

Locations of the Independent Inspection Agents

25. The locations of the Independent Inspection will remain as stipulated under paragraphs 31 of the previous Distribution Plan, Phase I. In addition, the entry point of Al-Waleed was designated by the Secretary-General on 31 July 1997, after consultation with the GOI.

Warehouses

26. Specially designated warehouses will be allocated for foodstuffs imported by the Government of Iraq under the Plan. The sites of these warehouses will be within the main storage complexes of the Ministry of Trade located throughout the governorates of Iraq.
27. In accordance with paragraph 5 of Annex I of the MOU, humanitarian supplies destined for distribution in the three northern governorates shall be delivered by the Programme to warehouses within these governorates. Warehouses in Mosul and Kirkuk to which supplies may also be delivered either by the Government of Iraq or the Programme, shall be under the management of the Programme.

Table 2
Iraqi population by governorate covered by the Plan

Governorate	Population	Adults*	Children under one
Ninevah	2168807	2104061	64746
Tameem	790824	769487	21337
Baghdad	5748755	5581367	167388
Salah Al-Din	899978	873757	26221
Diala	1125243	1094038	31205
Anbar	1114885	1078846	36039
Babylon	1242968	1208897	34071
Kerbala	651537	632760	18777
Najaf	818956	792274	26682
Qadisiya	794821	771098	23723
Muthana	479851	464040	15811
Basrah	1722445	1664190	58255
Maysan	718455	688234	30221
Thi-Qar	1318681	1273347	45334
Wasit	819356	796187	23169
Dohuk**	725047	707108	17939
Erbil**	1123255	1100253	23002
Suleimaniyah**	1440586	1417899	22687
Total	23704450	23017843	686607

- THE NUMBER OF ADULTS WERE CALCULATED ON THE BASIS OF THE ACTUAL FIGURE OF THE BENEFICIARIES DURING NOVEMBER 1997 AND ADDING MONTHLY, THE FIGURE OF 61700 PERSON, REPRESENTING AVERAGE PROJECTED GROWTH FOR EACH MONTH. FOR THE LAST SIX MONTHS PRIOR TO NOV 1997, THEN TAKEN THE AVERAGE OF MONTHLY FIGURE BETWEEN JUNE 1998-NOV.1998.

** BASED ON THE ACTUAL FIGURE OF NOV. 1997 ADDING MONTHLY, THE FIGURE OF 39789 CHILD, REPRESENTING AVERAGE INCREASE IN THE NO. OF CHILDREN FROM MAY 1997 DUE TO THE PREVIOUS REGULATIONS THAT ALLOW FAMILIES TO TAKE FOOD INSTEAD OF MILK UNTIL MAY 1998.

Table 3

**Consolidated Plan and Categorized List of Foodstuffs,
Soaps and Detergents**

Items (1)	Monthly ration per capita (kg) (2)	Total monthly requirements (ton) (3)**	Total needs for six months (ton) (4)	Required value for six months (US\$) (5)***
1. Food, wheat flour*	9.000	247419	1491523	306,000,000
Rice	2.500	58695	352170	120,000,000
Sugar	2.000	46956	281736	108,000,000
Tea	0.150	3470	20820	43,000,000
Cooking oil	1.000	23478	140868	114,000,000
Milk powder	2.700	1856	11136	33,000,000
Pulses	1.000	23478	140868	78,000,000
Iodized Salt	0.150	3552	21312	3,000,000
Subtotal				805,000,000
2. Soaps and detergents				
soap	0.250	5926	35556	31,000,000
Detergents	0.350	8463	50778	34,000,000
Total				65,000,000
Grand total				870,000,000

Note: these figures represent indicative quantities and values subject to actual distribution and market conditions.

- 1- wheat is to be processed and distributed to beneficiaries as wheat flour . the conversion rate used is 10 kg of wheat to 8.5 kg of wheat flour.
- 2- quantities are calculated on the basis of population figures listed in table2 . the following allowances to retail agents are added to ensure the accurate ration weight is given to customers : 2 % for wheat flour , rice , sugar , cooking oil , pulses , salt , and detergents : 0.5% for tea. No additional quantities are given to the agents for milk powder and soap as these items are distributed by tins and pieces respectively.
- 3- children under one year of age receive only milk powder , soap and detergents.
- 4- The reduction of wheat/flour conversion rate from 10/9 to 10/8.5 is based on the estimation of actual losses due to impurities and milling processes, while also aiming at obtaining a finer quality of flour and absorbing the margin of milling cost/profit.

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Part Two

Procurement and Distribution Plan for Medicine and Medical Supplies

Introduction

28. In formulating its health policy, the Government of Iraq has followed the guidelines of the World Health Organization action programme on essential medicine:
- * To make effective, safe and low cost medicine available and affordable to meet the needs of the entire population of Iraq.
 - * To ensure that medicines are of good quality and rationally used.
29. The Plan is formulated to meet the actual need for medicine, vaccines, medical supplies, equipment, spare parts and other essential items within the framework of these policy objectives to ensure equitable distribution. Because of the current situation, the health facilities in Iraq are faced with a severe shortage of these critically needed items and supplies. This health situation is seriously aggravated by the poor environmental quality, malnutrition and difficult socio-economic conditions. The prevailing precarious public health situation in Iraq has been graphically reported by UN Agency reports and the 180-day report (S/1997/935 dated 28 November 1997) of the UN Secretary-General.
30. Before August 1990, the health care system in Iraq was based on an extensive and well developed network of primary, secondary and tertiary health care facilities. These facilities were linked among themselves and with the community by a large fleet of ambulances and service vehicles, and by good communication network facilitating referral to the next level of the health care system.
31. It was estimated by the Government of Iraq that 97% and 78% of the urban and rural populations, respectively, had access to health care. Table 5 gives the distribution of the health infrastructure throughout the country. While the system tended to emphasize curative aspects, it was complemented by a set of public health activities that included malaria control, expanded programme of immunizations, tuberculosis control activities, etc.

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32. Presently, there is an urgent need in Iraq for medical equipment and supplies, including essential drugs, as well as for medical supplies and chemicals used in the control of insect borne diseases that are endemic in Iraq. Supplies, such as X-ray machines, CAT scans, laboratory equipment and health infrastructure are in need of repair. It is estimated that only one quarter of the medical equipment available in health care facilities is still operational.
33. Regarding drugs and medical supplies, the situation is alarming. Patients are, at best, offered doses lower than what would normally be required by their health condition. The output of local production has been reduced drastically. In 1989, the Ministry of Health (MOH) spent over US\$ 500 million for the procurement of drugs and medical supplies.
34. It is imperative that the Plan ensures the provision of good quality drugs at low cost that are affordable in meeting the needs of the entire population of Iraq. Vaccines, medical and surgical supplies and dental and diagnostic equipment are other categories that require attention. The provision of insecticides, vector control equipment and the re-equipping or replacement of the fleet of ambulances for the transport of patients and provision field transport for ensuring liaison within the health network, is another priority that requires urgent attention within the Plan. It should be stressed that the public health sector cannot be improved by the provision of medicine and medical supplies only. The infrastructure of hospitals and health centers are almost in a state of collapse and urgently in need of provision of spare parts for rehabilitation. The supply of ambulances must continue and are essential to provide effective public health care. Another 200 ambulances under the Plan remain as priority requirements (Table-4). Dentistry apparatuses are also among the most urgent requirements.
35. The health situation in the three Iraqi northern governorates has continued to deteriorate over the past seven years. Only 10% of the more than 381 primary health care centres in the region are currently able to provide maternity/child health care services. There is a marked reduction in the availability of drugs and medical supplies. A similar shortage of essential equipment for diagnostic and curative purposes exists. Thus, the main components of the health plan for these governorates include provision for basic essential drugs, the repair and maintenance of health infrastructure

and spare parts for non-functioning hospital equipment. These are included in the Plan which allocates US\$ 18.5 million for medicines and medical supplies and another US\$ 10 million for health infrastructure repairs.

36. In accordance with the MOU, the Programme will be responsible in the three northern governorates for the distribution of medicines and health supplies. The Programme has ensured that its identification of needs in the health sector meets the essential requirements of these governorates.

Components of the Plan

37. The components of the Plan for estimation of needs, procedures for regulation, and importation, storage and distribution of medicines and medical supplies are those stated under paragraph 43 of the previous Distribution Plan:
38. The sum of US\$300 million is required to meet the total need for medicine and medical supplies at the minimum level only throughout Iraq during a six-month period. Under the present Plan, US\$200 million has been allocated to meet only the most urgent requirements and needs. To achieve an equitable distribution of medical supplies, the allocated funds will be distributed among governorates on the basis of US\$1.5 million per million persons per month.
39. In accordance with paragraph 39 of the MOU, the government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in Paragraph 8 of Annex 1 of the MOU.

Table-4

Distribution of Ambulances*

Serial no.	Governorates	Number of ambulances
1.	Nineveh	14
2.	Tameem	6
3.	Baghdad	60
4.	Salah Al-Din	8
5.	Diala	8
6.	Anbar	10
7.	Babylon	8
8.	Kerbala	6
9.	Najaf	6
10.	Qadisyia	6
11.	Muthana	6
12.	Basrah	16
13.	Maysan	8
14.	Thi-Qar	8
15.	Wasit	6
16.	Dohuk	6
17.	Erbil	8
18.	Suleimaniyah	10
Total		200

* - The Ambulances in this table will be distributed according to criteria one ambulance per 100000 of the population

Part Three

Procurement Plan for Water and Sewage

40. In view of the importance of potable water and sanitation for public health, the Government of Iraq has adopted a long term programme to provide these services according to international scientific standards per capita. However, the implementation of this policy has been severely hampered by the lack of resources and equipment and the consequent disruption of services over the last seven years. It is estimated that rehabilitation of the existing facilities would require about US\$510 million. This does not take into account the development of new water projects and facilities to meet the needs of the growing population. In order to address only the most urgent humanitarian needs in this sector, the Plan allocates a total of US\$44.17 million of which US\$24.17 million is allocated for Baghdad and the 14 other governorates and US\$20 million for the three northern governorates.
41. The production of drinking water in the 14 governorates amounts to 1400 million cubic meters per year. The design production of Baghdad amounts to 850 million cubic meters per year. However, due to delay in the arrival of supplies under the previous Distribution Plan, the estimated efficiency of the existing facilities remains at less than 40% of their design capacity. The percentage of waste is estimated at more than 40% of the actually produced water.
42. As regards sanitation, the design capacity of the 14 governorates, except for Baghdad, amounts to 153 million cubic meters per year, and the design capacity for Baghdad amounts to 680 million cubic meters per year. In addition, there are 256 pumping stations comprising more than 1,000 vertical and submerged pumps. Although the system requires complete renovation, the present Plan seeks to provide only the minimum requirements for maintaining and operating the system during the next six months. As per details given in the annexes, the estimated cost of minimum repairs amounts to about US\$4 million per month including the sum of US\$2.6 million per month for the 14 governorates and about US\$1.4 million per month for Baghdad, which serves the capital and the surrounding districts.

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43. Spare parts and urgently required equipment are described in the attached Annexes numbered 1-8/Water/Sanitation.
44. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex 1 of the MOU.

Part Four

Procurement Plan for Electrical Power

Introduction

45. The inadequacy of electricity due to the damage suffered by this vital sector and non-availability of spare parts and equipment causes major problems in the whole country.
46. The shortage of electricity has resulted in further daily load shedding throughout Iraq, from Dohuk in the north to Basrah in the south. The shortage reached 1600 MW in July 1996, and the peak load reached about 5,300 MW in 1997. While the situation in this sector continued to deteriorate, the peak load in the summer of 1998 is expected to reach 5,600 MW. Annex I/Electricity is a chart showing the installed capacity, the maximum available capacity, the peak load and the generation shortage during July 1997. The operation of the electric system with this shortage has led to power cuts to all types of consumers including hospitals, water plants, sewage plants, wheat milling plants, irrigation and pumping stations, schools and universities, in addition to complete residential areas and other services.
47. The current Plan allocates US\$61.5 million to the energy sector. The Plan concentrates on meeting the requirements of steam, gas, and hydroelectrical power stations throughout Iraq. Part of the allocations is earmarked to transmission and distribution networks in different parts of Iraq. US\$26 million of the total is earmarked for the three northern governorates. Annex 2/Electricity includes a categorized list of the spare parts to meet the above requirements.
48. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific locations to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex I of the MOU.

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Part Five

Procurement and Distribution Plan for Agriculture

Introduction

49. Local food production and productivity have drastically deteriorated during the last years as a result of the adoption of horizontal expansion because of the absence of basic inputs needed for the vertical expansion. Consequently, plant pests and diseases are widespread. This has been compounded by the shortage of pesticides, herbicides and operating spraying helicopters. Similar deterioration has been manifested in the field of animal production due to the shortage in animal vaccines, drugs and veterinary treatment and diagnostic instruments.
50. The Government of Iraq attaches utmost importance to the agriculture sector in order to raise the level of food production as, under the prevailing conditions, the country has to rely heavily on domestic production to meet the needs. Despite the measures taken by the government and the UN agencies, the output remains seriously constrained as a result of the inadequate supply of essential inputs.
51. The agriculture sector needs to undertake several aerial and ground campaigns to control main crop pests on cereals, date palms, cotton, sunflower and vegetables. The reduction in pest infestations can play a major role by increasing food production and by decreasing losses caused by pests.
52. In the animal production sector most of the diseases reported during the past seven years have been characterized by the shortage of basic medicines and vaccines as well as veterinary equipment. This has dramatically reduced the capacity of veterinary services to combat and control the outbreak of diseases.
53. All agricultural sectors in Iraq are highly mechanized; however, large numbers of machinery are either out of operation or are operating inefficiently due to lack of spare parts and shortage of tractors. This has

negatively affected crop production and soil preparation. The result has been increasing harvest losses as well as a reduction in irrigated areas.

Basic Strategy and Requirements

54. The basic strategy of the present Plan is to maintain the current level of agricultural production through securing the plant, animal protection and preventive requirements, Priority needs such as pesticides, herbicides, aerial and ground spraying and veterinary requirements also machinery and irrigation requirements are considered, but not fully addressed in view of the limited funds. The proposed requirements correspond to the minimum requirements to respond to the needs of small farmers throughout the country in order to prevent further deterioration, which could lead to a collapse of the sector.
55. For this purpose, the Plan allocates US\$50 million for the agriculture sector. Agricultural inputs at an estimated value of US\$24 million shall be distributed in the fifteen governorates (see Annexes /Agri. 1-4). The balance of US\$26 million is allocated for the three northern governorates of (Dohuk, Erbil, and Suleimaniyah). The basic inputs are fertilisers, seeds, pesticides, spraying equipment, agricultural machinery, irrigation pumps, tractors spare parts and veterinary supplies.
56. The same methodologies as described in the previous Plan Phase I , paragraphs 72, 73 and 74, will apply for the above mentioned inputs. Detailed distribution list for tractors and ground spraying equipment is attached in Annex/Agri. 5.
57. The procurement and distribution of agricultural equipment and supplies for Dohuk, Erbil and Suleimaniyah will be carried out by the Programme in accordance with the MOU. The Plan aims at providing the most essential inputs for farmers taking in to account the resource constraints. Accordingly, eight projects are included in the Plan for a total cost of US\$26 million as detailed in the table below:

Agriculture Projects for Dohuk, Erbil and Suleimaniyah

ANNEXES	PROJECT TITLE	REQUIREMENT IN US\$ *
6	Plant protection	3,060,446
7	Plant Production	5,362,794
8	Crop and Forestry Services Equipment and Supplies	1,801,034
9	Revival of small-scale poultry production	1,900,000
10	Control of animal diseases	3,323,134
11	Provision of irrigation pumps, pipes, maintenance equipment, Services and spare parts	8,000,000
12	Provision of spare parts for agricultural machinery	2,483,504
13	Reactivation (beekeeping)	69,088
Total		26,000,000

• FAO operational and programme costs included

58. Details of the agricultural inputs supply and equipment for Dohuk, Erbil and Suleimaniyah are shown in Annexes (Agri. /6 to Agri./13).
59. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provide for in paragraph 8 of Annex 1 of the MOU.

60. Agricultural lands (400 000 donums) in thi Qar , Basrah , and Missan Governorates were reclaimed and allocated to farmers and are ready for cultivation to incrase agricultural production . therefore ,there is a great need for pumping units for this project to cover the irrigation requirements for this area to maximize food Production . There is also a need to drill new water wells Karbala , Najaf , Anbar ,Tameem and Diyala to provide water for drinking and agricultural needs.

Part Six

Procurement and Distribution Plan for Education

61. The primary, secondary and tertiary levels of education in Iraq have been affected by severe shortages of the most basic teaching materials, school furniture, textbooks, stationery and other basic requirements of the education sector. The magnitude of requirements in the sector is illustrated by the size of the student population estimated at a total of 5 million. Damaged classrooms in 4,157 schools remain unrepaired, and in many instances classrooms have no doors and windows. Upto 70 pupils share one classroom, which under normal circumstances accommodates only 30. A large number of schools remain without clean water supply and sanitation facilities.
62. The prevailing situation has resulted in a decreased rate of school enrollment and a substantial increase in the rate of school dropouts, especially at the primary and secondary levels. Lack of basic teaching aids and materials has also affected the quality of education in the country. While the overall requirements for the immediate basic needs throughout the country are estimated at \$130 million, excluding higher education, the present Plan allocates only \$27 million for the basic needs. Some basic supplies for higher education are included at an estimated cost of US\$3.6 million (see Annex/Edu.1).
63. The educational infrastructure in the three northern governorates has suffered extensive damage. In addition, there is a severe shortage of basic educational materials including books. US\$15 million is earmarked for urgently needed school supplies, for rehabilitation of damaged schools and for staff training in the region. (See Annex/Edu.2 supplies for the three northern governorates.)
64. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex I of the MOU.